

<i>SERFF Tracking Number:</i>	<i>SFCM-126924440</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Mutual Automobile Insurance Company</i>	<i>State Tracking Number:</i>	<i>47430</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>LTC03I Individual Long Term Care</i>	<i>Sub-TOI:</i>	<i>LTC03I.003 Other</i>
<i>Product Name:</i>	<i>Long Term Care-LTC Seminar</i>		
<i>Project Name/Number:</i>	<i>Long Term Care-LTC Seminar/LTCP-NP1</i>		

Filing at a Glance

Company: State Farm Mutual Automobile Insurance Company

Product Name: Long Term Care-LTC Seminar SERFF Tr Num: SFCM-126924440 State: Arkansas

TOI: LTC03I Individual Long Term Care SERFF Status: Closed-Filed-Closed State Tr Num: 47430

Sub-TOI: LTC03I.003 Other Co Tr Num: State Status: Filed-Closed

Filing Type: Advertisement Reviewer(s): Harris Shearer, Stephanie Fowler

Authors: Tammie Mills, Gerald

Younge

Date Submitted: 12/02/2010

Disposition Status: Filed-Closed

Implementation Date:

Implementation Date Requested:

State Filing Description:

General Information

Project Name: Long Term Care-LTC Seminar

Project Number: LTCNP1

Requested Filing Mode:

Status of Filing in Domicile: Not Filed

Date Approved in Domicile:

Domicile Status Comments: Our State of Domicile, IL, does not require advertising material for Long Term Care to be filed.

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 12/16/2010

Created By: Gerald Younge

Corresponding Filing Tracking Number:

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 12/16/2010

Deemer Date:

Submitted By: Gerald Younge

Filing Description:

Re: State Farm Mutual Automobile Insurance Company

Individual Long Term Care

NAIC #176-25178

Individual Long Term Care

Filing #: LTCNP1

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Forms:

LTCP-NP1 Long Term Care-LTC Slide Show
 SMH-60032 APSTR Agent Poster
 SMH-60032 LPSTR Location Poster
 K475 Save the Date Card
 K474 Thank you Card
 K469 Invitation

Enclosed for filing on behalf of the State Farm Mutual Automobile Insurance Company of Bloomington, Illinois are the referenced advertising forms. These forms are being filed for use in your state and contain information regarding Individual Long-Term Care.

These forms will be used by licensed State Farm Agent's to notify and explain Individual Long Term Care products to insured's.

Please note that slides 24 & 25 are for Partnership plans. If this is used in a Non-Partnership state-these slides will not be used.

We are not required to file Long Term Care marketing pieces in Illinois.

Company and Contact

Filing Contact Information

Gerald Younge, Tech - Contracts & Compliance gerald.younge.jbnp@statefarm.com
 1 State Farm Plaza 309-766-0406 [Phone]
 Bloomington, IL 61710-0001 309-766-8483 [FAX]

Filing Company Information

State Farm Mutual Automobile Insurance Company	CoCode: 25178	State of Domicile: Illinois
One State Farm Plaza	Group Code: 176	Company Type:
Laura Walters / Marketing D-3	Group Name:	State ID Number:
Bloomington, IL 61710	FEIN Number: 37-0533100	
(309) 763-8104 ext. [Phone]		

SERFF Tracking Number: SFCM-126924440 State: Arkansas

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Company Tracking Number:

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Filing Fees

Fee Required? Yes

Fee Amount: \$300.00

Retaliatory? No

Fee Explanation: \$50.00 filing fee per form, filing 6 forms at this time = \$300.00

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Farm Mutual Automobile Insurance Company	\$300.00	12/02/2010	42548959

SERFF Tracking Number:	SFCM-126924440	State:	Arkansas
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TOI:	LTC03I Individual Long Term Care	Sub-TOI:	LTC03I.003 Other
Product Name:	Long Term Care-LTC Seminar		
Project Name/Number:	Long Term Care-LTC Seminar/LTCP-NPI		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed-Closed	Stephanie Fowler	12/16/2010	12/16/2010

<i>SERFF Tracking Number:</i>	<i>SFCM-126924440</i>	<i>State:</i>	<i>Arkansas</i>
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Disposition

Disposition Date: 12/16/2010

Implementation Date:

Status: Filed-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: SFCM-126924440 State: Arkansas

Filing Company: State Farm Mutual Automobile Insurance Company State Tracking Number: 47430

Company Tracking Number:

TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.003 Other

Product Name: Long Term Care-LTC Seminar

Project Name/Number: Long Term Care-LTC Seminar/LTCP-NP1

Schedule	Schedule Item	Schedule Item Status	Public Access
Form	Long Term Care-LTC Slide Show	Filed	Yes
Form	Agent Poster	Filed	Yes
Form	Location Poster	Filed	Yes
Form	Save the Date Card	Filed	Yes
Form	Thank you Card	Filed	Yes
Form	Invitation	Filed	Yes

SERFF Tracking Number: SFCM-126924440 State: Arkansas

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Product Name: Long Term Care-LTC Seminar

Project Name/Number: Long Term Care-LTC Seminar/LTCP-NP1

Form Schedule

Lead Form Number:

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Filed 12/16/2010	LTCP-NP1	Advertising	Long Term Care-LTC Initial Slide Show				1 State Farm LTCI Presentation 2010-LTCP-NP1.pdf
Filed 12/16/2010	SMH-60032 APSTR	Advertising	Agent Poster	Initial			2 Agent Poster-SMH-60032 APSTR.pdf
Filed 12/16/2010	SMH-60032 LPSTR	Advertising	Location Poster	Initial			3 location poster-SMH-60032LPSTR.pdf
Filed 12/16/2010	K475	Advertising	Save the Date Card	Initial			4 K475-save the date.pdf
Filed 12/16/2010	K474	Advertising	Thank you Card	Initial			5 K474-Thank you card.pdf
Filed 12/16/2010	K469	Advertising	Invitation	Initial			6 K469-Invitation.pdf

Welcome

Long-Term Care: What Does the Future Hold for You?



Long-Term Care

- What is it?
- Misconceptions
- Why consider long-term care insurance?
- Is it right for you?

What is Long-Term Care?

Long-term care refers to the services you need when you're not able to function independently and need assistance resulting from a prolonged physical illness or injury, gradual frailty, or cognitive impairment.

Long-Term Care Includes...

- Care at home
- Adult day care
- Care at an alternate-care facility
- Care at a long-term care facility

Long-Term Care

Do you know someone
who has needed
Long-Term Care?

Why Prepare for LTC Needs?

Chances of loss

1 in 96 that your home will be damaged by fire.

1 in 5 that your automobile will be damaged in an accident.

1 in 2 that when you reach age 65, you will need long-term care at some point in your life.

Source: 2009 *Field Guide*, National Underwriter Company

Why Prepare for LTC Needs?



- Family
- Finances
- Independence/Choice

Long-Term Care and Your Family

Does your family have the resources, expertise, and willingness to provide the care you would need?

Do they live close enough to make this a realistic option?

Do you want your family to carry your long-term care costs for you?

Long-Term Care and Your Finances

Current **national average** cost of nursing-home care:

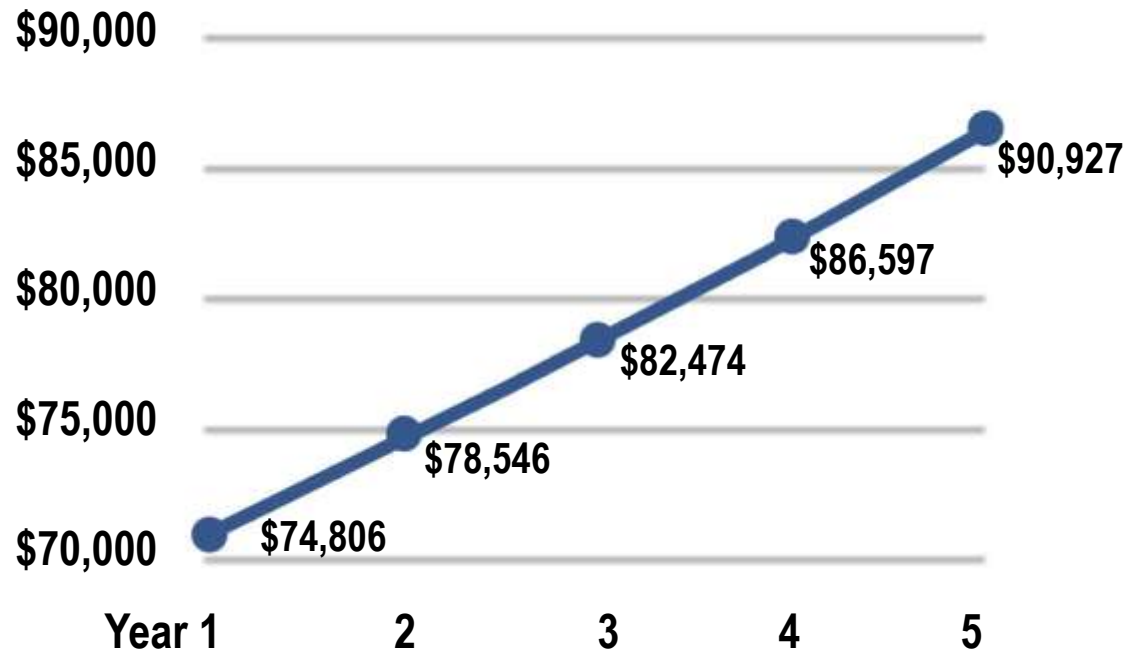
\$204 per day

\$74,806 per year

Source: Guide to Long Term Care, 2010 (based on rates for a private nursing home room in 2009)

How Long Could You Afford This?

Five years of care would total \$413,350 (assuming 5% inflation)



Source: Guide to Long Term Care, 2010 (based on rates for a private nursing home room in 2009)

*Projected costs assume a 5% annual inflation rate.

Long-Term Care and Your Independence

Medicaid

- Limited choices
- Asset and income limitations
- Loss of retirement savings and legacy

What About Medicare?

Medicare pays for **skilled care**.

However, long-term care is usually **custodial care**.



What Does Medicare Supplement Cover?

Basic Benefits	A	B	C	D	E	F	G	H	I	J	K*	L*
Part A hospital (days 61–90)												
Lifetime reserve days (91–150)												
365 lifetime hospital days — 100%												
Parts A and B — blood											50%	25%
Part B coinsurance (after \$110 annual deductible)											10%	5%

Plans A-L cover basic benefits

Additional Benefits	A	B	C	D	E	F	G	H	I	J	K	L
Skilled nursing facility coinsurance			x	x	x	x	x	x	x	x	50%	75%
Medicare Part A deductible		x	x	x	x	x	x	x	x	x	50%	75%
Medicare Part B deductible			x			x				x		
Medicare Part B excess charges						100%	80%		100%	100%		
Foreign travel emergency			x	x	x	x	x	x	x	x		
At-home recovery				x			x		x	x		
Drug benefit								1	1	2		
Preventive care					x					x		

¹ A “basic” benefit with a \$1,250 maximum limit.

² An “extended” benefit with a \$3,000 maximum limit.

Options for Covering Long-Term Care Expenses



- Pay for it yourself
- Your family pays for it
- Spend down your assets and let the government pay for it
- Purchase a long-term care insurance policy

A Closer Look: Long-Term Care Insurance

Long-term care insurance
helps you:

- Protect your assets
- Protect your dignity
- Preserve your choices
- Maintain control

Types of Care

- Nursing-home
- Facility care
- Home health care
- Community Care

Community Care

- Adult day care
- Respite care
- Assisted living
- Continuing-care retirement communities

Levels of Care

Skilled care

Intermediate care

Custodial care

Comparison of Costs

With LTCI policy:

Total LTCI premiums over 25 years: \$ 39,750

Potential out-of-pocket expenses for LTC (if care needed):

90-day elimination period:* \$ 62,460

Out-of-pocket amount over daily benefit for 1 year of LTC (less 3 months):** \$ 51,150

Maximum out-of-pocket for 1 year of LTC (includes elimination period): \$ 113,610

Maximum out-of-pocket for 3 years of LTC (includes elimination period): \$ 254,160

Without LTCI policy:

Cost of 1 year of LTC in 25 years (assumes 5% inflation):* \$ 253,320

Cost of 3 years of LTC (assumes 5% inflation): \$ 798,590

*Assumes future LTC cost of \$253,320 per year, which is \$21,110 per month or \$694 per day, based on current average annual cost of \$74,806 and a 5% annual rate of inflation over 25 years.

**Assumes future LTCI daily benefit of \$508, based on 5% compound inflation protection.

LTC policy assumptions:

\$1,590 annual premiums for 55-year-old --- \$150 daily benefit --- 3-year benefit period; 90-day elimination period --- 5% automatic compound inflation protection --- Waiver of premiums

The Cost of Waiting

- Premiums increase with age
- Pre-existing conditions
- May not qualify



Tax Advantages

How much of your premiums qualify for a tax deduction?

Age before year-end	2010 annual limit
40 or younger	\$ 330
41 through 50	\$ 620
51 through 60	\$1,230
61 through 70	\$3,290
71 or older	\$4,110

Source: CCH, 2010 (figures are for the 2010 tax year)

What to Look For When Buying Long-Term Care Insurance

- Benefit amounts appropriate for the cost of care where you wish to retire
- Available elimination periods
- Benefit time period
- Options for care in the setting of your choice

What to Look For When Buying Long-Term Care Insurance

- Proper inflation coverage
- Rate stability
- Financial stability of the insurance company

What to Look For When Buying Long-Term Care Insurance

Long Term Care Partnership Program:

- A partnership between Medicaid and long term care insurers established to provide an alternative to spending down or transferring assets
- Special feature known as **Asset Disregard**
“Asset Disregard allows anyone with a LTC Partnership policy to protect assets equal to the amount of benefits received under the policy in the event they need to apply to Medicaid for additional services.”
- Inflation protection
- Option to choose a Partnership policy, or a Non-Partnership policy

Partnership vs. Non-Partnership

Partnership

- Required Inflation Protection based on age
- Provides access to additional protections through Asset Disregard
- Premiums are generally higher

Non-Partnership

- No Inflation Protection requirements
- No Asset Disregard
- Generally has lower premiums

Consider the Benefits

Long term care insurance can help you

- Preserve your independence
- Exercise your own choices
- Determine your standard of living
- Protect your assets
- Avoid government dependence
- Ensure a better quality of life


Summary



- You stand a very good chance of needing long-term care
- Long-term care often costs more than most of us can afford to pay
- Long-term care insurance could allow you to receive care at home

For more information on preparing
for your long-term care needs,
contact your State Farm[®] agent.

Response Card



Response Card

Thank you for attending our seminar on Long-Term Care: What Does the Future Hold for You? We would like to invite you to a complimentary State Farm Insurance and Financial Review. If you are interested in scheduling an appointment, please check here:

☐ Yes. ☐ No.

Please Print

Name _____

Address _____

City _____ State _____ Zip _____

E-mail _____

Please call me to schedule an appointment at:

☐ Work Phone _____ ☐ Home Phone _____

(Please check whether you prefer to be contacted at work or home.)

How would you rate the quality and usefulness of the information in today's presentation?

☐ Excellent ☐ Fair
☐ Very Good ☐ Poor
☐ Good

Do any of the following topics interest you? Please check all that apply.

<input type="checkbox"/> Cash management	<input type="checkbox"/> Risk management
<input type="checkbox"/> Education savings	<input type="checkbox"/> Retirement strategies
<input type="checkbox"/> Estate planning	<input type="checkbox"/> Tax-deferred investing
<input type="checkbox"/> Investment strategies	<input type="checkbox"/> Tax-reduction strategies

Which area of discussion today was most beneficial to you and why?

Please provide the names and telephone numbers of two other friends, relatives, or associates who would benefit from attending a future presentation.

name _____	telephone _____
name _____	telephone _____

May we say that you referred them? ☐ Yes. ☐ No. I prefer you to keep my name confidential.

THANK YOU



Providing Insurance and
Financial Services

Long-Term Care

What Does the Future Hold for You?

Long-Term Care

What does the future hold for you?



Ask about our upcoming Long-Term Care Seminar



Welcome

to the State Farm Long-Term Care Seminar.



Long-Term Care: What does the future hold for you?



Save the date

Long-Term Care
What Does the Future Hold for You?



LIKE A GOOD NEIGHBOR
STATE FARM IS THERE.®

Managing the Costs of Long-Term Health

Don't let the high cost of long-term care interfere with your plans and dreams. Join us at the upcoming event *Long-Term Care: What Does the Future Hold for You?* There, you'll learn about ways to protect yourself and your independence from the financial uncertainty of changing health.

Look for your invitation to arrive in the mail soon.
We look forward to seeing you there!

Thank You

LIKE A GOOD NEIGHBOR



STATE FARM IS THERE.®

Dear (Customer First Name),

Thank you for taking time from your busy schedule to attend my recent event *Long-Term Care: What Does the Future Hold for You?* I hope you enjoyed the presentation and took away important insights to help you prepare for a future filled with financial security and quality time with your family.

I would like the opportunity to discuss your long-term care options on an individual basis.

Please contact me at (xxx) xxx-xxxx so we can schedule a time to talk.

Sincerely,

Agent A. Agent

State Farm Agent

*The Long-Term Care Insurance 97060 and 97061 policy series are underwritten by State Farm Mutual Automobile Insurance Company.

State Farm Mutual Automobile Insurance Company Home Office, Bloomington, Illinois

statefarm.com

You are invited

Long-Term Care
What Does the Future Hold for You?



LIKE A GOOD NEIGHBOR
STATE FARM IS THERE.®

Please Join Me

Tuesday, March 25, 2008

5:00 pm

One State Farm Plaza

Bloomington, IL 61701

Address Line 3 if needed

Call (xxx)xxx-xxxx to reserve your seats.

Additional guests are welcome. Seating is limited.

This event is presented by

Agent's name

1-555-555-5555

One State Farm Plaza

Bloomington, IL 61701

Address Line 3 if needed

Dear State Farm® Customer,

You are invited to join me at the upcoming event *Long-Term Care:*

What Does the Future Hold for You? There's no charge for your attendance.

At this important event, you'll learn about ways to manage the increasing costs of long-term care, while protecting your assets at the same time.

No matter what age you are, it's important to consider your long-term care options.

Don't let the high cost of long-term care interfere with your plans and dreams.

I hope to see you there!

Sincerely,

Agent A. Agent

State Farm Agent